

**W&M Hearing: FY09 Budget**  
**Questions for the Record: Secretary Paulson**  
**February 7, 2008**  
**Submitted by: Congressman Mike Thompson**

1. In 1986, TTB's predecessor, the Bureau of Alcohol, Tobacco and Firearms, concluded that geographic brands on wine labels indicate wine origin. Consumers, that is, believe that a Napa-named wine brand is made from Napa grapes. To prevent consumer deception, ATF in 1986 required that any new geographic brand can be used only on wine from the named area. Why is TTB proposing rules to undo this 22-year-old consumer protection standard in order to protect a few brands whose owners were on notice of the 1986 rule but are now unwilling to follow it?
2. In evaluating applications for trademarks for wine, the U.S. Patent and Trademark Office will not register trademarks that encompass wine region names unless the wine is shown to be from the region, regardless of whether the wine regions are officially recognized as AVAs. Why is TTB disregarding this well-accepted standard of trademark law to officially sanction the use of geographically deceptive wine brands?
3. Article 23 of TRIPS (the Agreement on Trade-Related Aspects of Intellectual Property) requires that the U.S. provide means to prevent the use of geographical indications on wine not from the place identified. As a common law country, the U.S. recognizes common law rights in geographical indications. How are the rules proposed in Notices 77 and 78 consistent with Article 23 when their effect will be the sanctioning of the deceptive use of geographical indications?
4. TTB seems to question the concept of AVAs inside other AVAs and even proposed that the smaller AVA might be carved out of the larger area. Isn't the process of sub-dividing appellations part of every appellation system of the world? (Example: France - Burgundy - Cotes de Nuits - Gevrey Chambertin - Clos de Beze.) TTB has been creating smaller AVAs inside larger ones for more than 25 years. Why the change of direction now?